

# HOUSE . . . . . No.

Message from His Excellency the Governor recommending legislation relative to financing information technology equipment and related projects. March 15, 2013.

## The Commonwealth of Massachusetts



DEVAL L. PATRICK  
GOVERNOR

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March 15, 2013.

To the Honorable Senate and House of Representatives:

I am filing for your consideration a bill entitled "An Act Financing Information Technology Equipment and Related Projects".

Last October, my Administration published our sixth capital investment plan, which presented a responsible capital investment strategy for fiscal year 2013 through fiscal year 2017. In order to provide for continued investment in our Commonwealth's infrastructure and innovation economy, I am filing a series of bond bills, in addition to this bill, to support this plan's future funding needs through fiscal year 2017.

The citizens of the Commonwealth have asked for and deserve public infrastructure which will meet their needs, create jobs and stimulate economic growth in every corner of our state. Targeted investments in our infrastructure solidifies the foundation of our Commonwealth for future generations. By investing in essential government functions, we create a more effective and efficient government. Investment in information technology will ensure our 21<sup>st</sup> Century citizens are served by a 21<sup>st</sup> Century government.

This bill includes funding for IT and innovation projects in my Administration's five-year capital investment plan, including:

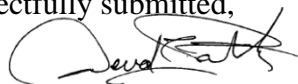
- \$40 million for the Last Mile Broadband Project which will more adequately equip residents and businesses to compete in the 21<sup>st</sup> Century global economy by bringing broadband internet access to areas of the Commonwealth currently without high-speed internet access.

- \$449 million for information technology projects including building on the Commonwealth's successful public safety information systems network modernization and Health Insurance Exchange to promote health care cost containment,
- \$280 million for self-supporting information technology projects which will be funded through savings or revenue created by these projects, and
- \$100 million for information technology projects for the Massachusetts Department of Transportation, including replacement of the Registry of Motor Vehicle's Automatic License & Registration System (ALARS) which was initially deployed in 1986.

These investments will be made within my Administration's debt affordability policy, which has allowed an unprecedented level of capital investment in the Commonwealth while maintaining the highest bond rating in the state's history.

In light of the urgent need to continue funding these improvements, I urge prompt action to enact this bill.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Deval Patrick", written over a horizontal line.

DEVAL L. PATRICK,  
*Governor.*

# The Commonwealth of Massachusetts

In the Year Two Thousand Thirteen.

An Act financing information technology equipment and related projects.

*Whereas*, The deferred operation of this act would tend to defeat its purpose, which is forthwith to provide for the capital improvement needs of the commonwealth and deploy affordable and ubiquitous broadband access to the citizens of the commonwealth, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1       SECTION 1. To provide for a program of capital information technology improvements to  
2       various state institutions and properties and to fund the Massachusetts Broadband Institute, the  
3       sums set forth in this act, for the several purposes and subject to the conditions specified in this  
4       act, are hereby made available, subject to the laws regulating the disbursement of public funds,  
5       which sums shall be in addition to any other amounts previously appropriated for these purposes;  
6       provided, that the amounts specified in an item or for a particular project may be adjusted in order  
7       to facilitate projects authorized in this act.

8       SECTION 2.

9                   EXECUTIVE OFFICE FOR ADMINISTRATION AND FINANCE

10                               *Information Technology Division*

11       1790-2018   For the continued implementation of a second, active data center capable of  
12       maintaining mission critical applications and a supporting network infrastructure, including  
13       salaries and other personnel costs of staff assigned to that project; provided, that the center shall  
14       be connected to the Massachusetts information technology center and shall be used on a daily  
15       basis to support applications providing the commonwealth with the capacity for business

16 continuity and quick recovery in the event of unplanned outages  
17 .....\$9,000,000

18 1790-3001 For costs associated with planning and studies, the preparation of plans and  
19 specifications, purchase, procurement and implementation of information technology-related  
20 equipment and related projects.....\$300,000,000

21 1790-3002 For costs associated with planning and studies, the preparation of plans and  
22 specifications, purchase, procurement and implementation of information technology-related  
23 equipment and related projects which are eligible for federal reimbursement, including but not  
24 limited to projects related to the provision of health care, unemployment insurance and human  
25 services; provided, that any federal reimbursement received by a state agency in connection with  
26 projects funded from this item may be retained by the state agency and expended for the purposes  
27 of the project, without further appropriation, in addition to the amounts appropriated in this item;  
28 and provided further, that any state agency receiving federal reimbursements for a project funded  
29 from this item shall file a quarterly report with the executive office for administration and  
30 finance, the house and senate committees on ways and means, and the joint committee on  
31 bonding, capital expenditures, and state assets that details, by project, an annual estimate of  
32 anticipated federal reimbursement to be received on behalf of and expended for the project, as  
33 well as year-to-date actual federal reimbursement received and year-to-date actual expenditures  
34 of the reimbursement, by  
35 project.....\$140,000,000

36 SECTION 2A.

37 EXECUTIVE OFFICE FOR ADMINISTRATION AND FINANCE

38 *Information Technology Division*

39 1790-3003 For costs associated with planning and studies, the preparation of plans and  
40 specifications, purchase, procurement and implementation of information technology-related  
41 equipment and related projects; provided, that for projects the secretary of administration and

42 finance certifies to the comptroller directly or indirectly generate new state revenue or budgetary  
43 savings, the comptroller shall transfer those budgetary savings or revenue to the state treasurer for  
44 payment of debt service related to those projects; provided further, that any federal  
45 reimbursement received by a state agency in connection with projects funded from this item may  
46 be retained by the state agency and expended for the purposes of the project, without further  
47 appropriation, in addition to the amounts appropriated in this item; and provided further, that any  
48 state agency receiving federal reimbursements for a project funded from this item shall file a  
49 quarterly report with the executive office for administration and finance, the house and senate  
50 committees on ways and means, and the joint committee on bonding, capital expenditures, and  
51 state assets that details, by project, an annual estimate of anticipated federal reimbursement to be  
52 received on behalf of and expended for the project, as well as year-to-date actual federal  
53 reimbursement received and year-to-date actual expenditures of the reimbursement, by project  
54 ..... \$280,000,000

55 SECTION 2B.

56 EXECUTIVE OFFICE FOR ADMINISTRATION AND FINANCE

57 *Office of the Secretary*

58 1599-7061 For a reserve to provide funds to the Massachusetts Broadband Incentive Fund  
59 established by section 6C of chapter 40J of the General Laws..... \$40,000,000

60 SECTION 2C.

61 EXECUTIVE OFFICE FOR ADMINISTRATION AND FINANCE

62 *Information Technology Division*

63 1790-3004 For costs associated with planning and studies, the preparation of plans and  
64 specifications, purchase, procurement and implementation of information technology-related  
65 equipment and related projects for the Massachusetts department of transportation  
66 .....\$100,000,000

67       SECTION 3. To meet the expenditures necessary in carrying out section 2, the state treasurer  
68 shall, upon request of the governor, issue and sell bonds of the commonwealth, in an amount to  
69 be specified by the governor from time to time, but not exceeding, in the aggregate, the sum of  
70 \$449,000,000. All bonds issued by the commonwealth, under this section, shall be designated on  
71 their face, Information Technology and Innovation Act of 2013, and shall be issued for such  
72 maximum terms of years not exceeding 20 years, as the governor may recommend to the general  
73 court under Section 3 of Article LXII of the Amendments to the Constitution, but all such bonds  
74 shall be payable not later than June 30, 2038. All interest and payments on account of principal of  
75 these obligations shall be payable from the General Fund unless otherwise specified. Bonds and  
76 interest thereon issued under the authority of this section, notwithstanding any other provision of  
77 this act, shall be general obligations of the commonwealth.

78       SECTION 4. To meet the expenditures necessary in carrying out section 2A, the state  
79 treasurer shall, upon request of the governor, issue and sell bonds of the commonwealth, in an  
80 amount to be specified by the governor from time to time, but not exceeding, in the aggregate, the  
81 sum of \$280,000,000. All bonds issued by the commonwealth, under this section, shall be  
82 designated on their face, Information Technology and Innovation Act of 2013, and shall be issued  
83 for such maximum terms of years not exceeding 20 years, as the governor may recommend to the  
84 general court under Section 3 of Article LXII of the Amendments to the Constitution, but all such  
85 bonds shall be payable not later than June 30, 2038. All interest and payments on account of  
86 principal of these obligations shall be payable from the General Fund unless otherwise specified.  
87 Bonds and interest thereon issued under the authority of this section, notwithstanding any other  
88 provision of this act, shall be general obligations of the commonwealth.

89       SECTION 5. Notwithstanding any general or special law to the contrary, to meet the  
90 expenditures necessary to carry out section 2B, the state treasurer shall, upon request of the  
91 governor, issue and sell bonds of the commonwealth in an amount to be specified by the governor  
92 from time to time, but not exceeding, in the aggregate, \$40,000,000. All bonds issued by the

commonwealth under this section shall be designated on their face, Information Technology and Innovation Act of 2013, and shall be issued for a maximum term of years, not exceeding 30 years, as the governor may recommend to the general court under section 3 of Article LXII of the Amendments to the Constitution. All such bonds shall be payable not later than June 30, 2048. No authorization shall be expended unless expressly authorized by the secretary of administration and finance. All interest and payments on account of principal of these obligations shall be payable from the General Fund. Bonds issued under the authority of this section shall be general obligations of the commonwealth.

SECTION 6. Notwithstanding any general or special law to the contrary, to meet the expenditures necessary to carry out section 2C, the state treasurer shall, upon request of the governor, issue and sell bonds of the commonwealth in an amount to be specified by the governor from time to time, but not exceeding, in the aggregate, \$100,000,000. All bonds issued by the commonwealth under this section shall be designated on their face, Information Technology and Innovation Act of 2013, and shall be issued for a maximum term of years, not exceeding 20 years, as the governor may recommend to the general court under section 3 of Article LXII of the Amendments to the Constitution. All such bonds shall be payable not later than June 30, 2038. No authorization shall be expended unless expressly authorized by the secretary of administration and finance. All interest and payments on account of principal of these obligations shall be payable from the Commonwealth Transportation Fund. Bonds issued under the authority of this section shall be general obligations of the commonwealth.

SECTION 7. The secretary of administration and finance shall submit a report on the progress of any projects funded through the authorizations in this act and included in the governor's 5- year capital investment plan to the clerks of the senate and house of representatives, the chairs of the senate and house committees on ways and means, and the senate and house chairs of the joint committee on bonding, capital expenditures and state assets. The report shall include, but not be limited to, the previous year planned spending, previous year spending,

current year planned spending, current year spending to date, original estimated total project cost, project description, location of the project, type of spending, type of asset and useful life of the project once completed. The report shall be submitted on June 30 and December 31 of each year for a period of 8 years after the effective date of this act.

**SECTION 8.** The information technology division, in consultation with the operational services division, shall require that the procurement of services and equipment funded under items 1790-2018, 1790-3001, 1790-3002, 1790-3003 of section 2A and 1790-3004 of section 2C shall comply with the procurement policies filed by the state comptroller under section 13 of chapter 27 of the acts of 2007 to ensure an open and fair competitive process. Executive agencies that have or seek funding under said items 1790-2018, 1790-3001, 1790-3002 1790-3003 and 1790-3004 shall submit to the information technology division, at intervals to be determined by the division, documentation and deliverables necessary to enable it to oversee, ascertain and evaluate financial and non-financial benefits to be realized by performing the project, impacts to current and future operating budgets, and project management, status, progress, performance and expenditures. The information technology division shall specify this documentation and deliverables, which may include, without limitation, project management plans and methodology, technology designs and specifications, accountings of amounts expended or to be expended for all goods and services including, without limitation, hardware, software, consultant services and personnel, ongoing operating cost impacts, an assessment of whether the project is within budget and on schedule for completion, an explanation of any deviations in completion schedules and funding needs from those that were originally established for the projects, project plans and other document deliverables. The information technology division may make funding or continued funding for executive department agency projects contingent upon its approval of these documentation and deliverables.

**SECTION 9.** Chapter 7 of the General Laws is hereby amended by inserting after section 4F 1/2 the following section:-



145       Section 4F ¾. There shall be established and set up a separate account, to be known as the  
146   Commonwealth Federal Grants Management Trust, in this section called the trust. The secretary  
147   of administration and finance shall expend funds in the trust without further appropriation to  
148   support the purposes of the federal grants management unit within the office of commonwealth  
149   performance, accountability and transparency, established by subsection (e) of section 4A. The  
150   secretary shall charge all federal grants, an amount determined by the secretary for these  
151   purposes, not exceeding 1 per cent per grant and not exceeding an annual total amount of  
152   \$500,000, plus the one-time costs of any technology as determined by the secretary.

153       SECTION 10. To provide for the continued availability of certain bond-funded spending  
154   authorizations which otherwise would expire, the balances of the following appropriation items  
155   and any allocations thereof are hereby extended through June 30, 2017, for the purposes of and  
156   subject to the conditions stated for these items in the original authorizations and any amendments  
157   to such authorizations: 1599-7060, 1790-2013, 1790-2016, 1790-2017, and 1790-2500